THE Demand and Price SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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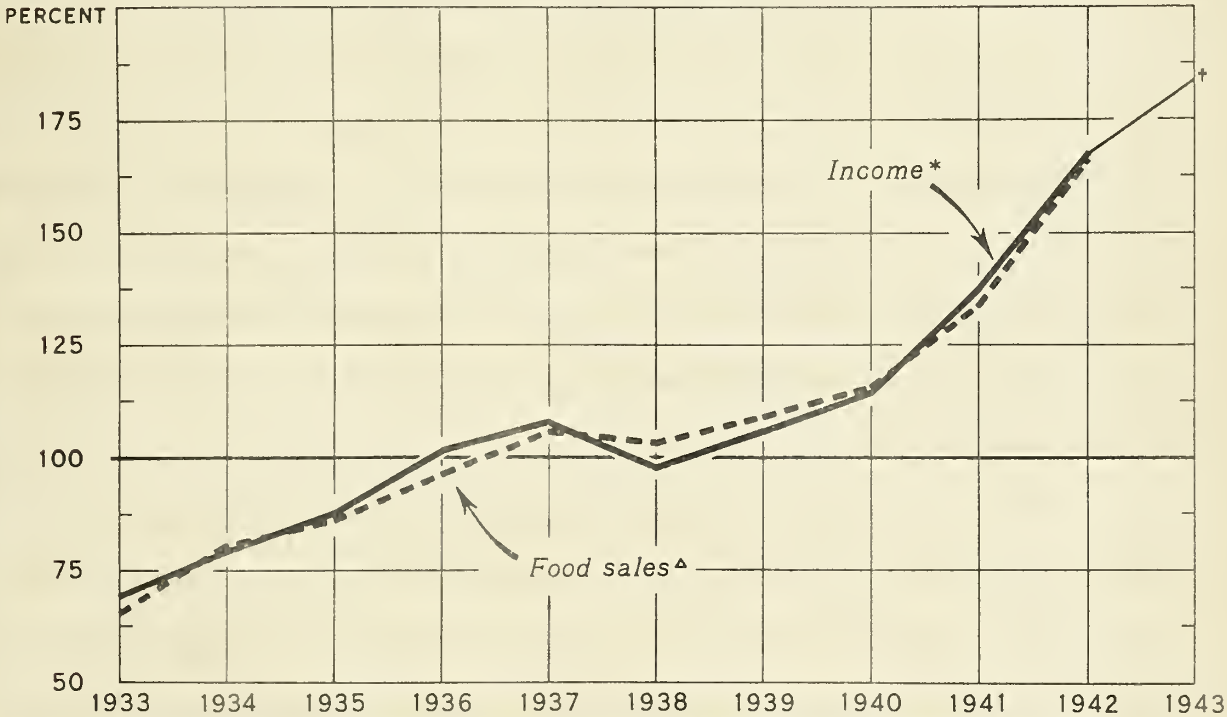
CONSUMER INCOME AND RETAIL FOOD SALES, UNITED STATES, 1933-43

INDEX NUMBERS (1935-39=100)



BASED ON DEPT. OF COMMERCE DATA *INCOME PAYMENTS MINUS PERSONAL TAXES
△COMBINED SALES OF GROCERY STORES, AND EATING AND DRINKING PLACES †ESTIMATE

U. S. DEPARTMENT OF AGRICULTURE NEG. 42752 BUREAU OF AGRICULTURAL ECONOMICS

A close relationship has been maintained in recent years between changes in consumer income and retail sales of food. Since many consumer products were in short supply in 1942 expenditures for food might have been even larger had there been no retail price controls. Price ceilings were extended in October to cover 90 percent of all foods sold at retail, compared with around 60 percent which had been brought under ceilings in May.

DEMAND, PRICE, AND INCOME OUTLOOK

Demand

Recent war developments have brought an upward revision in estimates of probable military and lend-lease food and textile requirements in 1943. Domestic consumer demand for agricultural products also will continue to increase in 1943 as a result of further gains in employment and consumer income.

Around one quarter of the expected 1943 domestic production of food probably will be required for our own military forces and for our Allies. Earlier estimates indicated about 20 percent of production would be required for these purposes in 1943 compared with 13 percent this year and 4 percent in 1941. The volume of 1943 food production remaining for domestic nonmilitary use may be about the same as the average for 1935-39, but around 10 percent smaller than in 1942.

A large increase in aggregate demand for domestic agricultural products, particularly for food, is anticipated for 1943. Livestock production and crop acreage goals for 1943, with 1937-41 average crop yields, would result in a rise in food production from this year's total or 127 percent of the 1935-39 average to 133 percent in 1943. This would be the seventh consecutive year (1937-43 inclusive) in which food production exceeded that of any previous year.

Although prospects are for an almost limitless demand for most agricultural products in 1943, farmers have been given additional assurance of attractive returns by a pledge from the Secretary of Agriculture that the Department will support the prices of many products as a contribution to the 1943 program. This general pledge was accompanied by announcement of support

prices until mid-1944 or later for many products at more than 90 percent of parity. The Department also will assist farmers in their production and marketing problems through making labor available, providing technical assistance, through loans, and by other means consistent with the best interests of the general war program. Farmers, therefore, can proceed with 1943 production plans with more assurance than ever before as to prices for their products and with confidence that the Department of Agriculture will utilize its full resources in helping them to meet production goals.

The 1943 demand for farm products generally will be in excess of current production. Under these conditions rationing of agricultural products will be necessary to assure equitable distribution of the reduced supply among the civilian population.

General Prices

In October, new legislation gave added powers to the Government for controlling the prices of agricultural products. As a result, 90 percent of all food products now are subject to retail price controls compared with around 60 percent previously. At wholesale, nearly all processed foods and more than 60 percent of all farm products now are subject to price ceilings. Prior to October practically none of the farm products were subject to price ceilings although around 75 percent of food had been subject to ceilings since May.

Wholesale prices of nonagricultural commodities are no higher now than they were 7 months ago, according to the weekly Bureau of Labor Statistics price index. Practically all commodities used in computation of this index of prices have been subject to governmental control since last May. In this same period, wholesale prices of agricultural products

(farm and food), many of which were not subject to control, have risen about 6 percent.

It is estimated that consumers in 1943 will have about 10 percent more money for goods, services, and savings than in 1942, whereas the volume of goods and services available to consumers probably will be smaller by around 10 percent. The volume of goods alone probably will be at least 15 percent smaller in 1943 than in 1942, but for foods the decrease will be less. Many consumer services will be curtailed in 1943, although aggregate expenditures for services may be even larger than in 1942.

A smaller supply of goods and services in 1943, when consumers will have more money to spend than in 1942, undoubtedly would result in a considerable further rise in the general price level if there were no governmental price controls. For instance, if food supplies for domestic nonmilitary use are 10 percent smaller in 1943 than in 1942 and available consumer income increases as indicated (see cover page chart) retail food sales, in absence of price controls would be expected to increase about 10 percent in value. This would require an average advance in prices during the next 12 months of around 2 percent per month. If retail food prices could be held at the present level through all of 1943, the combined sales of grocery stores, eating and drinking places probably would be around 3.5 billion dollars smaller than if no price controls were exercised and 1.5 billion smaller than they have been in 1942. A similar situation exists in respect to nonagricultural products which will be in shorter supply next year.

Although the upward pressure on the general price level will become progressively greater as the income of consumers rises and the available supply of goods decreases, the Government is exercising more authority over prices than ever before.

Farm Prices and Income

Farm product prices will continue to be supported by increasing consumer income, growing military and lend-lease needs, and Government programs designed to encourage further increases in production. Farmers have been asked to increase production again in 1943 to meet wartime needs, and have been assured prices at more than 90 percent of parity for many vital war products.

Prices received by farmers in November held at the October peak of 169 percent of the 1910-14 average and, on basis of changes in wholesale markets, may have advanced slightly during the month ended December 15. Prices paid by farmers for commodities, and expenses for interest and taxes, rose another point in November (the same amount as in each of the preceding 2 months) to 155 percent of the 1910-14 average.

Cash income from farm marketings rose slightly more than average in October, due largely to increased returns from livestock other than hogs. Crop sales generally were up about the usual amount in October despite declines, after seasonal adjustment, in such important cash crops as cotton, tobacco, and wheat. Cash income from sales of all farm products in November is estimated to have shown at least the normal seasonal decline from the October peak. There probably was about the usual increase in income from sale of dairy products and a larger-than-average increase in income from hogs, but a decline in the adjusted income from cattle, poultry, and from crops generally.

— December 17, 1942

COTTON

The farm price of cotton reached parity in November for the first time since May. Prices rose steadily from 18.03 cents in August to 19.22 in November, the highest farm price since the summer of 1928. Parity remained at 18.85 cents from May through August, following which it advanced each month and was 19.22 in November. This was the same as the November farm price and the highest parity level since the fall of 1930. The farm price of cottonseed

was 129 percent of parity in November despite a decline in the latter from $46.46 in October to $45.01 in November. The 10 market price of Middling 15/16-inch cotton during the month ended December 15 averaged 19.36 cents, 22 points over the preceding monthly period and the highest this season.

Since the supply of short-staple cotton is large both in terms of prospective disappearance and relative to the supply of the longer lengths, farmers normally producing cotton of a staple length less than 1 inch are being urged to shift to longer staple varieties or to shift to other lines of production, particularly peanuts, soybeans, and feed crops. Because of the need for this shift, an acreage goal of 22,500,000 acres has been established for cotton in 1943, a reduction of 1.5 million acres from the 1942 planted acreage. With 1937-41 average yields and abandonment, the production from such an acreage would be about 11.2 million bales (500 pounds gross weight) compared with a production of about 13 million bales this season.

Consumption by domestic mills continues at an annual rate of about 11.4 million running bales.

WHEAT

~~Wheat~~ prices on December 15 were 4 to 14 cents above a month earlier. The strength in prices largely reflects limited offerings but there also has been some increase in demand. The 60-day flour price ceiling order which expired December 3 was extended unchanged, pending the establishment of permanent ceilings. As a result of the recent advance, wheat prices are now 4 to 10 cents above the levels which existed in the flour-ceiling base period, September 28 to October 2. This squeezes the miller's margin considerably for margins in important centers were already relatively narrow in the flour-ceiling base period.

Market prices on December 15 were compared with loan values as follows: St. Louis 15 cents above, Kansas City 3 cents above, Minneapolis 1 cent below, and Portland 2 cents below. Up to December 5 a total of 352 million bushels of 1942 wheat had been reported placed under loan, which compares with 331 million bushels for the same period a year earlier.

FATS, OILS, AND OILSEEDS

Production of fats and oils from domestic materials in the 1942 crop year is estimated at 11.7 billion pounds compared with 9.6 a year earlier. Goals for 1943 call for increased acreages of flaxseed and peanuts, and a soybean acreage only slightly less than the record acreage in 1942. The cotton goal has been reduced, however, to permit greater utilization of resources for more essential crops such as peanuts and feed grains. With normal yields, production of vegetable oils from domestic materials may total 4.3 billion pounds in the 1943 crop year, compared with 4.2 billion pounds this year. Weather was unusually favorable in 1942. The upward trend in lard, tallow, and grease production is expected to continue in 1943, but may be partly offset by reduced butter production.

Supplies of fats and oils for 1943, including production, imports, and stocks on hand January 1, probably will total about 14.5 billion pounds.

Military and export requirements are estimated at 2.6 billion pounds, and civilian use under the general allocation order is estimated at 9.2 billion pounds. This will leave only 2.7 billion pounds for stocks at the year end compared with a goal established by the Food Requirements Committee, including contingency reserves, totaling 3.5 billion pounds. To meet this objective, direct consumer rationing of food fats and oils probably would be necessary, as without such action further reductions in allocations of food fats to manufacturers are not considered feasible. The quantity of fats that consumers would take at ceiling prices is estimated to be considerably greater than the quantity available under the present allocation order, with due consideration [illegible] quantities of butter and lard available for civilian use. The manu- [illegible]e of butter and lard is not restricted.

Prices of most food and soap fats and oils were at ceiling levels in November and early December. Flaxseed and linseed oil prices declined in November, apparently reflecting some slackening in the demand for paint oils and the large supplies of flaxseed available. The announcement on November 30 of an increased support price for 1943 crop flaxseed brought a sharp recovery, however.

Prices of oilmeals rose materially in the first half of November. But the advance in cottonseed, peanut, and soybean meal prices was halted as a result of price orders issued by Commodity Credit Corporation and the Office of Price Administration. Linseed meal prices, not covered by ceilings, have continued to rise.

CORN AND OTHER FEEDS

Largely as a result of increases in demand, market prices of corn and barley have increased 6 to 10 cents per bushel, and oats about 3 cents per bushel since early November. Prices of wheat millfeeds are about $5 per ton higher than a month ago. Practically no linseed or soybean meal has been available at wholesale midwestern markets in recent weeks because the bulk of these feeds has been purchased from crushers by feed mixers on a contract basis.

The loan rate on 1942 corn, ranging from 73 to 89 cents per bushel in the Corn Belt will give some support to corn prices in areas of the Midwest this winter. In mid-November the price of corn in the Corn Belt was nearer the loan rate than it was last year, but there is much more "free corn" available for sealing. The quantity of 1942 corn sealed may be about as large as the quantity sealed in 1941-42.

The 1943 goal for corn is 95 million acres, 4 percent above the acreage planted this year. The 1943 corn acreage allotments will be 5 percent above those in 1942. Larger corn acreage is needed next year to meet the increasing feed requirements of livestock. Unless yield of feed grains per acre is exceptionally large in 1943, the 1943-44 supplies of feed per animal will be somewhat smaller than for the current season.

The 1942-43 supply of feed grains, according to the November estimate, is about 136 million tons. This supply is 12 percent larger than last year and the largest on record. The supply per animal unit is slightly larger than

last year and 6 percent above the average of the past 5 years. Hay supplies are the largest in recent years in proportion to the number of livestock to be fed.

HOGS

Because of the increasing wartime demand for meats, the 1943 goals for hog production announced in October have been revised upward. The goals now call for a 15 percent increase in the 1943 spring and fall pig crops over those of 1942. If this increase in production is attained, next year's pig crop may total 121 million, and total hog slaughter in 1943 may amount to about 100 million head. This production would be much the largest on record.

Announcement of the revised production goals for hogs was accompanied by assurance to farmers of a favorable price for hogs until September 1944 -- through the marketing season for the 1943 pig crop. Purchases of hog products, and of live hogs if necessary, will be made by the Department of Agriculture in such a way as to support prices at a minimum level of \$13.25 at Chicago for Good and Choice butcher hogs weighing 240 to 270 pounds. Although lower than the peak prices reached in October, this is the highest level of hog prices for the winter months (when marketings are seasonally large) since 1919. The weight designation was made in the price-support announcement to encourage the feeding of hogs to relatively heavy weights.

Marketings of spring pigs picked up considerably in late November and early December. Hog slaughter at 27 cents for the first week in December was 26 percent larger than a year earlier. Inspected hog slaughter at all markets during November totaled 5 million head, 19 percent more than in October and 10 percent greater than in November last year. Average weights of hogs marketed so far this fall have been a little heavier than a year earlier.

Hog prices have declined about \$2.00 per 100 pounds at Chicago since early October, reflecting seasonally increased slaughter supplies, the moderate downward adjustment in the pork price ceilings, and possibly some restriction of civilian demand as a result of the meat limitation order. In early December the average price of butcher hogs was about \$13.50 per 100 pounds compared with \$14.50 a month earlier and \$10.00 a year earlier. The recent decline in hog prices has been reflected in a moderate reduction in the hog-corn price ratio, but it is still much above average and favorable for feeding corn to hogs.

CATTLE

The production goals for cattle and calves recently announced by the Secretary of Agriculture call for a total output of beef and veal in 1943 of 10.9 billion pounds, dressed weight. Attainment of this goal will require slaughter of over 20 million cattle and more than 10 million calves — an increase of about 9 percent over 1942 slaughter. The number of cattle and calves on farms January 1, 1943 is expected to be substantially larger than at the beginning of 1942 and the largest on record. Attainment of the 1943 goal may require some reduction in cattle numbers on farms, but will not

jeopardize a high level of production and slaughter in 1944 and years immediately following.

Prices of most grades of slaughter cattle have fluctuated moderately in recent weeks at levels slightly below the peak prices reached in early November. The average price of Good grade beef steers at Chicago for the week ended December 12 was $14.95 per 100 pounds, compared with $15.50 a month earlier and about $12.00 in early December last year. Prices of feeder cattle declined moderately in early December. The average price of feeder and stocker cattle at Kansas City for the week ended December 12 was $11.95 per 100 pounds compared with about $10.00 a year earlier.

Marketings of slaughter cattle have declined sharply since October. In late November the weekly rate of inspected slaughter at 27 centers fell below that of last year for the first time since early September. Inspected cattle slaughter in November totaled about 1.0 million head, 20 percent less than in October and 8 percent larger than a year earlier. Inspected calf slaughter in November of 501,000 head was seasonally smaller than in October but 5 percent larger than in November last year.

SHEEP AND LAMBS

The goal for lamb and mutton in 1943 is for a total production, dressed weight basis, of 990 million pounds. The equivalent slaughter of live animals is slightly more than 24 million head. This slaughter is about 2 million head less than the probable total for this year, but marketings could not continue at the high 1942 level without reducing sheep numbers considerably below other recent years.

Marketings of sheep and lambs have decreased slightly since October, and slaughter supplies continue substantially larger than a year earlier. The number of sheep and lambs slaughtered under Federal inspection during November totaled nearly 2.1 million head, 9 percent less than in October but nearly 50 percent greater than a year earlier. The proportion of mature sheep in total slaughter supplies has been the largest this fall in many years.

Despite the exceptionally large marketings, lamb prices have held at a relatively high level this fall. The average price of Good and Choice grade slaughter lambs at Chicago in early December was $15.40 per 100 pounds, $1.25 higher than a month earlier and nearly $4.00 higher than a year earlier. Prices for feeder lambs have advanced in recent weeks, but they are still lower than the peak prices reached in September.

WOOL

Stocks of apparel and carpet wool held by dealers and manufacturers in the United States on October 3 totaled 605 million pounds (greasy shorn and pulled basis). Of this total 288 million pounds, about 48 percent were domestic wools. As stocks in the hands of growers are believed small, the above total includes most of the wool available for commercial use at the beginning of October. The October 3 stocks this year were much larger than in any recent year but not unusually large in relation to the current rate of mill

consumption. On the corresponding date last year, dealers and manufacturers reported stocks of 420 million pounds of apparel and carpet wool. The totals for the 2 years are not strictly comparable, however, because of the larger number of firms reporting in 1942.

Mill consumption of apparel wool in the first 10 months of 1942 totaled 883 million pounds (greasy shorn and pulled basis) compared with about 790 million pounds in the corresponding period of 1941. Consumption in October was 8 percent larger than a year earlier, but was slightly smaller than the record July consumption.

Prices of domestic wools were mostly unchanged during November. Prices of fine wools in early December were close to ceiling levels, and prices of medium wools were only slightly below the ceilings. The average price received by farmers for wool on November 15 was 39.7 cents a pound, unchanged from a month earlier but 3.1 cents a pound higher than a year earlier.

DAIRY PRODUCTS

The inability to meet current military, lend-lease, and domestic consumer demand, even with record total milk production, resulted in a series of orders issued during recent weeks designed to curtail civilian consumption. On November 3 manufacturers were required to set aside 90 percent of the spray-dried skim milk produced for delivery to specified Government agencies. On November 20 the War Production Board froze half of the supply of butter in storage at the 35 principal markets. On November 25, retail sales of whipping or other cream containing more than 19 percent butterfat were prohibited. On December 4 the quantity of milk solids used in the manufacture of ice cream or other frozen deserts during December and January was limited to 60 percent of that used in October 1942. The total saving as a result of these orders on an annual basis might amount to 4 or 5 billion pounds, milk equivalent. Since total demand for milk in 1943, including civilian, military, and lend-lease, are at least 20 billion pounds larger than the prospective supply, a further curtailment of civilian consumption will be necessary.

The goal for total milk production in 1943 was set at 122 billion pounds, 2 percent larger than the prospective production in 1942. As an aid to meeting the goal, prices of specified manufactured products will be supported at Office of Price Administration price ceilings and a subsidy will be paid on American cheese through June 1944. Minimum price-support levels are as follows: 46 cents for 92-score butter at Chicago; 27 cents for No. 1 American cheese at Plymouth, Wisconsin; 12.5 cents for roller and 14.5 cents for spray-dried skim milk, extra Midwest basis; and an equivalent price for evaporated milk to be announced later. The ceiling price for cheese will be continued at 23.25 cents and the difference between this and the support level met by the subsidy. With the new support levels, prices received by farmers for butterfat in 1943 are expected to average 15 to 20 percent higher than in 1942, and for whole milk sold at wholesale, 5 to 10 percent higher.

POULTRY PRODUCTS

Production of eggs on farms in the United States has passed the seasonal low point and will increase until next April. The number of layers on farms in 1943 will be at least 6 to 8 percent larger than in 1942. The 1943 production goal for eggs, which is about 8 percent above the 1942 output, will be reached if the rate of lay is about at this year's level. Increased quantities of eggs will be needed for lend-lease and for the military forces, however, and domestic supplies will be no larger than in 1942. The consumer demand for eggs will strengthen further in coming months, but increases in egg prices over this year's level will be limited by the permanent price ceilings that will be announced in the near future.

Production of eggs has been larger than last year but, because of heavy egg-drying operations, net withdrawals from storage have continued unusually heavy. Egg prices have been at temporary ceiling levels since October 5 when the Temporary Maximum Price Regulation became effective. Recent increases in market supplies of eggs have tended to reduce the pressure on prices, but supplies in many markets are still inadequate to meet the demand. In early December the price of fresh firsts at Chicago was 40-1/2 cents per dozen, compared with 34 cents a year earlier.

Demand for baby chicks is strong, indicating that record supplies of young chickens will be available this winter to supplement the record supplies of poultry in storage. The demand for chicks has been particularly strong in specialized broiler and fryer producing areas. Consumption of poultry this fall has been the largest on record. Except for a few weeks, prices of chicken and fowl have been at the temporary ceiling levels in most large markets of the nation. In mid-November the average price received by farmers for chickens was 19.6 cents per pound, compared with 15.5 cents a year earlier and the parity price of 17.7 cents.

TOBACCO

Prices of tobacco in general continue well above last season. Sales of Burley began on December 7, prices for the first day averaging more than 37 cents per pound, or 8 cents above the 1941-42 season average price. The ceiling on Burley tobacco is expected to prevent unreasonable price increases, but will not prevent market prices from reaching a materially higher level than that of a year ago. Prices for the first few days of sale for Virginia fire-cured, type 21; One Sucker, type 35; and Virginia sun-cured, type 37 were higher than the opening prices of last season. Green River prices, however, were lower. Indications are that 1942 crops of dark tobacco as a whole are inferior in quality compared to 1941 crops. The quality of early offerings of Green River leaf was particularly poor.

Maximum or ceiling prices for Burley as provided for on December 4 by Maximum Price Regulation 283 are in terms of U. S. standard grades. If the distribution of the various qualities of tobacco in the 1942 Burley crop should be similar to the average of the last few years, the sale of the various qualities at specified ceiling prices would result in a general market average closely in line with the season average price received for the

1942 crop of flue-cured leaf. The method of operating the ceiling allows considerable flexibility in that it permits the buyer to pay higher than ceiling prices for particular grades or individual lots of leaf. However, during each week the average weighted price for all tobacco purchased by a buyer must not be higher than the average weighted ceiling price of those grades which he has purchased.

Sales of flue-cured leaf ended December 11. Apparently the average price received by producers was about 38 cents, the highest average market price since 1919. Returns to growers were the largest on record.

FRUITS

The 1942-43 fruit season continues relatively favorable for fruit growers in general. Apple and pear prices continue to rise and citrus prices are well above last season.

Commercial apple production, as reported November 1, was estimated at 127.5 million bushels, compared with 122 million last year. Cold-storage holdings of apples on December 1 totaled 35.7 million bushels -- about 4.4 million larger than on December 1 last season. Weighted average auction prices of Washington Extra Fancy Delicious and Jonathan apples increased 30 to 35 cents per box on the Chicago market during the second half of November. At the same time, however, carlot shipments of Western apples decreased from mid-November through the week ended November 28. Auction prices of these varieties normally decline seasonally from October through January.

Production of pears other than Bartletts in the Pacific Coast States was estimated on November 1 at 5.1 million bushels, roughly 1/2 million less than last year. Despite the smaller crop of late pears this season, cold-storage holdings on December 1 were 2.3 million boxes which exceeds December 1 holdings last year by 270,000 boxes.

Auction prices of Western pears were generally steady to somewhat lower during late November and the first week in December. Prices of Bosc pears at New York declined from $3.11 per box for the week ended November 14 to $2.82 for the first week in December. Anjou pear prices were fairly steady on both New York and Chicago markets.

Estimated production of oranges on December 1 was 84.1 million boxes as compared with 84.5 million from the bloom of 1941. Estimated production of grapefruit and lemons will be higher than last season. The indicated 1942 grapefruit production of 45.5 million boxes exceeds last year by 5.2 million boxes. Although grapefruit prices have declined seasonally since October, they remain considerably above last year. Average auction prices of oranges and lemons on the New York and Chicago markets increased slightly during the second half of November.

TRUCK CROPS

Recent reports indicate that the acreage planted or to be planted to 18 commercial truck crops for harvest in the early part of the 1943 season

is 8 percent below last year. Acreage on which production estimates are available is 18 percent below the acreage for the same crops last year. However, indicated production of these crops is only 9 percent below last season. Most of the decrease in planted acreage occurred in early crops of snap beans, cabbage, lettuce, onions, and tomatoes. Indicated production for several other crops for early harvest (green peppers, eggplant, celery, and kale) is considerably smaller than last year. The carrot crop is the only fall vegetable crop which is expected to materially exceed the fall production of last season.

Reduced acreage of early-season vegetable crops may be attributed to a number of things. Winter vegetable goals suggested reduced acreage of several crops; relatively low prices last season may have reduced plantings of cabbage and onions in particular; and the fear of possible shortages of labor and transportation may have reduced plantings of some bulky crops requiring relatively large amounts of labor.

Market prices of most truck crops increased during the late November and early December period as reduced supplies from fall-producing areas became available. There were declines, however, in prices of several items, including snap beans, western bunched carrots, and green peppers. With greatly increased demand for fresh vegetables and the prospect of a small winter vegetable crop this season, vegetable prices generally may be expected to continue well above last year.

POTATOES

Since late-crop potatoes have been harvested and placed in storage for the winter, there will be little change in the supply prospect for the next few months. Carlot shipments indicate that potatoes are moving quite rapidly under present price regulations. A few cars of new potatoes were reported in late November from California and Florida. Preliminary estimates place fall and winter potato acreage in Florida at 15 percent above last season.

Market prices of potatoes, in general, showed little change during the second half of November. Prices on Aroostook County, and Rochester (N.Y.) shipping points declined 5 to 7 cents per 100 pounds during the second half of November, while shipping-point prices in Idaho, Wisconsin, Michigan, and western Nebraska were steady to higher during late November. The immediate prospect is for no more than the seasonal rise in prices permitted under existing price ceilings.

ECONOMIC TRENDS AFFECTING AGRICULTURE

INDEX NUMBERS: INDICATED BASE PERIOD = 100

YEAR AND MONTH	INDUSTRIAL PRODUCTION[1]	FACTORY EMPLOYMENT[2]	FACTORY PAY ROLLS[2]	INCOME OF INDUSTRIAL WORKERS[3]	CASH INCOME FROM FARM MARKETINGS[4]	WHOLESALE PRICES OF ALL COMMODITIES[5]	RETAIL FOOD PRICES[6]	COST OF LIVING URBAN[7]	PRICES RECEIVED BY FARMERS[8]	PRICES PAID BY FARMERS[9]	PRICES PAID BY FARMERS, INTEREST AND TAXES[9]	RATIO OF PRICES RECEIVED TO PRICES PAID INCL. INTEREST & TAXES
Base period	*1935-39*	*1935-39*	*1935-39*	*1935-39*	*1935-39*	*1935-39*	*1935-39*	*1935-39*	*1910-14*	*1910-14*	*1910-14*	*1910-14*
1929	110	108	127	134	142	118	133	122	146	154	167	87
1930	91	94	103	110	113	107	126	119	126	146	160	79
1931	75	80	78	85	80	91	104	109	87	126	140	62
1932	58	68	54	59	59	80	86	98	65	108	122	53
1933	69	75	58	61	67	82	84	92	70	108	118	59
1934	75	88	74	77	79	93	94	96	90	122	128	70
1935	87	93	86	87	90	99	100	98	108	125	130	83
1936	103	101	99	100	105	100	101	99	114	124	128	89
1937	113	111	118	117	111	107	105	103	121	131	134	90
1938	89	93	91	91	96	98	98	101	95	123	127	75
1939	108	102	106	105	99	96	95	99	93	121	125	74
1940	123	110	122	119	105	98	97	100	98	122	126	78
1941	156	130	172	163	141	108	105	105	122	131	134	91
1941												
Nov.	166	137	192	180	153	115	113	110	135	141	143	94
Dec.	168	138	197	187	168	116	113	110	143	142	143	100
1942-												
Jan.	172	139	208	196	180	119	116	112	149	146	146	102
Feb.	172	138	205	194	180	120	117	113	145	147	147	99
Mar.	172	138	205	194	175	121	118	114	146	150	150	97
Apr.	173	139	213	203	191	122	120	115	150	151	151	99
May	175	140	220	209	188	123	122	116	152	152	152	100
June	176	143	228	216	192	122	123	116	151	152	152	99
July	180	147	244	229	192	122	125	117	154	152	152	101
Aug.	183	143	249	233	204	123	126	118	163	153	152	107
Sept.	185	148	254	236	208	124	127	118	163	154	153	107
Oct.[10]	188	149	259	240	212	124	130	119	169	155	154	110
Nov.[10]	191	--	--	--	---	---	131	--	169	156	155	109

[1] Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

[2] Bureau of Labor Statistics, adjusted for seasonal variation and converted from the 1923-25 base (employment adjusted by Federal Reserve and pay rolls by Bureau of Agricultural Economics).

[3] Adjusted for seasonal variation. Includes factory, railroad, and mining employees. Revised November 1941. To convert to 1924-29 base, multiply by 78.0744 percent.

[4] Adjusted for seasonal variation. Revised from January 1935 to date and placed on a 1935-39 base.

[5] Bureau of Labor Statistics, 1926 = 100 converted to 1935-39 = 100 by multiplying by 124.069 percent.

[6] Bureau of Labor Statistics.

[7] Bureau of Labor Statistics. Index numbers of cost of goods purchased by wage earners and low-salaried workers in large cities.

[8] August 1909-July 1914 = 100.

[9] Revised July 1942. Annual figures are straight averages of 12 monthly indexes, 1923-41

[10] Preliminary.

Note: In comparing trends between industrial production and industrial workers' income, as indicated by the above index numbers, notice should be taken of the fact that income of railway workers, as well as incomes of mining and factory workers, is included in the index of industrial workers' income, whereas the industrial production index is based on mining and manufacturing only. Similar precautions are necessary in comparing trends between industrial production and factory employment and pay rolls. Another consideration of importance is that the production index is based on volume, whereas the income indexes are affected by changes in wage rates as well as by time worked. In comparing monthly indexes it is important to keep in mind the fact that there is usually a time lag between changes in volume of production and similar changes in employment and in workers' income.

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